



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 14-52)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,

Transmittals 14-52 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 12, 2014.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

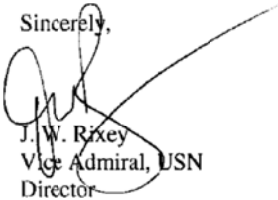
The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

NOV 05 2014

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-52, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Republic of Korea for defense articles and services estimated to cost \$1.405 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

  
J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 14-52

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Republic of Korea
- (ii) Total Estimated Value:
- |                         |                        |
|-------------------------|------------------------|
| Major Defense Equipment | \$ .905 billion        |
| Other                   | <u>\$ .500 billion</u> |
| TOTAL                   | \$1.405 billion        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 136 Patriot Advanced Capability (PAC-3) Missiles with containers and 2 Flight Test Targets (Patriot-As-A-Target (PAAT) modified short-range tactical ballistic missiles). Also included are 2 PAC-3 Telemetry Kits, 10 Fire Solution Computers, 18 Launcher Stations Modification Kits, 8 Missile Round Trainers, 8 PAC-3 Slings, 10 Patriot Automated Logistics System Kits, 13 Installation Kits for TPX-58 Identification Friend or Foe with KIV-77, PAC-3 Ground Support Equipment (GSE), 10 Shorting Plugs, 77 Defense Advanced Global Positioning Receivers (DAGRs) and Installation Kits, Patriot Fiber Optic Modem, 8 Guided Missile Transporters, 4 AN/VRC-90E Radios with Installation Kits, spare and repair parts, support equipment, communication equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor logistics and technical support services, Quality Assurance Teams' support, and other related elements of logistics and program support.
- (iv) Military Department: Army (ZDR)
- (v) Prior Related Cases, if any:  
FMS case BCR-\$64M-18Mar10  
FMS case ZAA-\$474M-30Oct07  
FMS case ZAH-\$5M-2Jan08
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 5 Nov 14

\* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

## Republic of Korea – Patriot Advanced Capability (PAC-3) Missiles

The Republic of Korea (ROK) has requested a possible sale of 136 Patriot Advanced Capability (PAC-3) Missiles with containers and 2 Flight Test Targets (Patriot-As-A-Target (PAAT) modified short-range tactical ballistic missiles). Also included are 2 PAC-3 Telemetry Kits, 10 Fire Solution Computers, 18 Launcher Stations Modification Kits, 8 Missile Round Trainers, 8 PAC-3 Slings, 10 Patriot Automated Logistics System Kits, 13 Installation Kits for TPX-58 Identification Friend or Foe with KIV-77, PAC-3 Ground Support Equipment (GSE), 10 Shorting Plugs, 77 Defense Advanced Global Positioning Receivers (DAGRs) and Installation Kits, Patriot Fiber Optic Modem, 8 Guided Missile Transporters, 4 AN/VRC-90E Radios with Installation Kits, spare and repair parts, support equipment, communication equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor logistics and technical support services, Quality Assurance Teams' support, and other related elements of logistics and program support. The estimated cost is \$1.405 billion.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by meeting the legitimate security and defense needs of an ally and partner nation. The ROK is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring peace and stability in that region. It is vital to U.S. national interests to assist our Korean ally in developing and maintaining a strong and ready self-defense capability.

The ROK requires the PAC-3 missiles to effectively conduct and sustain BMD operations, as well as serve as a core component to the ROK's future Korea Air Missile Defense (KAMD). This sale will increase interoperability between the ROK's ground and sea-based (Aegis) BMD forces and U.S. Forces Korea (USFK), which not only affects ROK national security but also the security of the U.S. personnel assigned in the ROK. This sale will provide the ROK with the capability to defeat lower tier Ballistic Missile Defense (BMD) threats, and will decrease the ROK's reliance on the deployment of U.S. combat forces to maintain stability in the region.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Raytheon Corporation in Andover, Massachusetts; and Lockheed Martin Missiles and Fire Control in Dallas, Texas. There are no known offset requirements in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor personnel to Korea. However, U.S. Government or contractor personnel will be required, on a temporary basis, to conduct in-country visits in conjunction with program technical and management oversight and support requirements.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 14-52

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Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The Patriot Air Defense System contains classified Confidential hardware components and critical/sensitive technology. The Patriot Advanced Capability-3 (PAC-3) Missile Four-Pack is classified Confidential and the improved PAC-3 launcher hardware is Unclassified. The missiles requested represent significant technological advances for the existing Republic of Korea Patriot system capabilities. With the incorporation of the PAC-3 missile, the Patriot System will continue to hold a significant technology lead over other surface-to-air missiles systems in the world.

2. The PAC-3 sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain components. The list of components is classified Confidential.

3. Information on system performance capabilities, effectiveness, survivability, PAC-3 Missile seeker capabilities, select software/software documentation and test data are classified up to and including Secret.

4. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar advanced capabilities.

5. A determination has been made that the recipient country can provide the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the US foreign policy and national security objectives outlined in the Policy Justification.

6. All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.